

12930
COPY / OF 7

January 30, 1956

Contract SC-56

Dear Doug:

Our letters seem to be crossing in the mail. With respect to the \$2,653.47 item mentioned in your letter of 18 January 1957, I wrote George on January 21, 1957, that we were deducting it from the per man-month rate which was to be our method of billing it as soon as we can get a definitive contract so that such billings would be possible. However, since the item is not an admissable contract cost I will also deduct it from our progress payments billings on the February invoices.

With respect to the "Cost of Living Funds" advanced to our employees of \$6,050.00, I would like to continue handling them accounting-wise as they are, also any future advances for this purpose, i.e. Detachment "C". These items are not an expense to the contract and are not expected to ever be an expense, but they are funds advanced by the company by reason of this contract for a period of 18 months or less in each individual case. When the funds are returned by the employee the contract will be credited, thus automatically reducing the amount on which progress billing is made. When a definitive contract is executed permitting us to make per man-month billings we will discontinue progress billings and you will recapture all of the payments thus made to us for this purpose. The matter of handling these funds as we are will then no longer be a problem as they are not included in the per man-month rates.

Yours very truly,

Hal
Hal

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NO CHANGE IN CLASS. ☒
DECLASSIFIED
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PCSS/DCI
22:2 PM 5-31 1957*Copy sent George K
2/6/57 this is OK
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